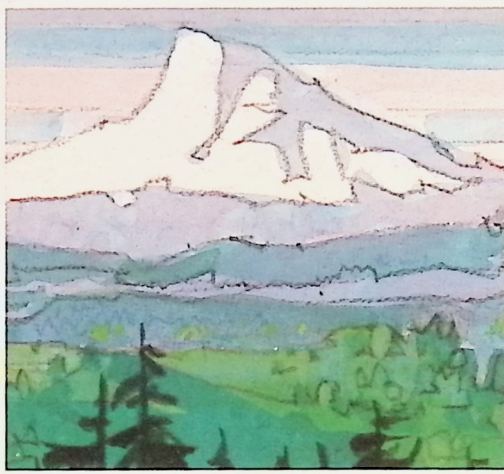
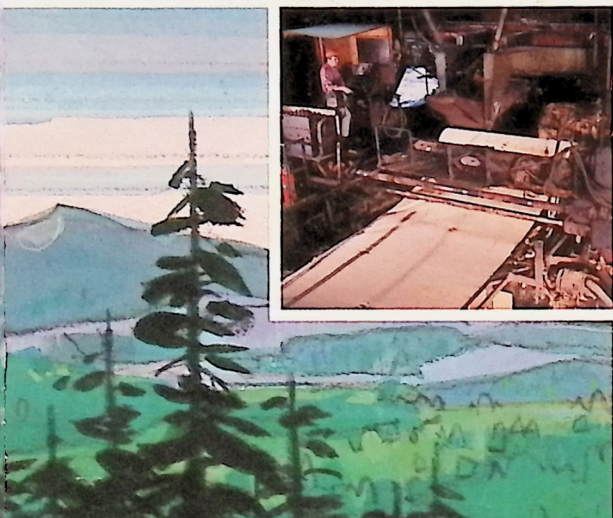
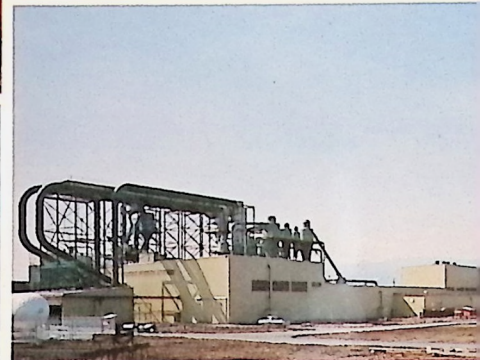
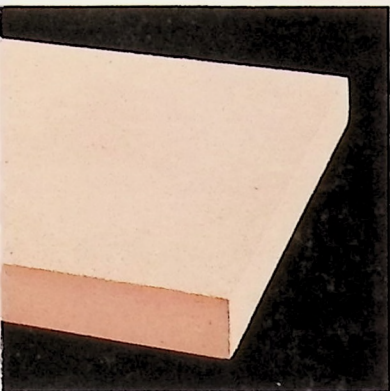




Medford Corporation

Total product
management...
from seedling to the home.

History

In the early 1920's, the Owen family of Wisconsin moved to Oregon and started what was to become Medford Corporation. The family began by building a sawmill in the small town of Brookings, Oregon, and later bought a Medford mill from Brownlee-Olds. In 1927, a new sawmill at the Medford site was completed under the name of Owen-Oregon Lumber Company. Here, the new company produced pine and fir shop, selects, mouldings, exterior siding and specialty products. In 1932, Owen-Oregon Lumber Company became Medford Corporation.

Since that time, we have grown into a widely diverse, flexible corporation with an extremely stable pattern of growth. Medford Corporation now includes six divisions which produce everything from plywood to lumber to medium density fiberboard, to paneling, to furniture, to kitchen cabinets. Modernization of our facilities and addition of new plants and products has made Medford Corporation a widely varied, yet highly organized and efficient business.

Over the years we've made a number of important additions and improvements, including such highlights as:

Constructing our first plywood mill in 1960, on the same site as the Medford sawmill.

Acquiring the Southern Oregon Plywood Mill in Grants Pass, Oregon, in 1967.

Starting Sel Ply, our custom laminating division, in White City, Oregon, in 1968.



Acquiring D & M Wood Products, in Portland, Oregon, in 1969.

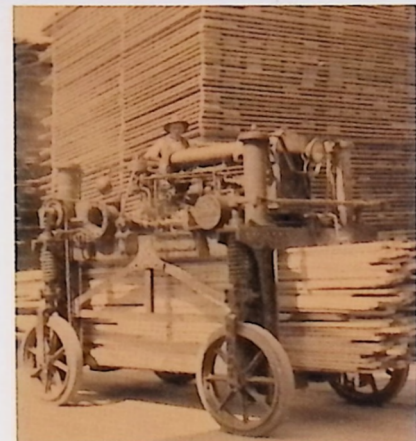
Creating the Diamond Industries division in Grants Pass in 1970, which manufactures wood kitchen and bath cabinets.

Modernizing our Medford sawmill in 1971.

Building a medium density fiberboard plant in Medford in 1972, to produce our new MEDITE.

Purchasing the Noblecraft Kitchen Cabinet plant in Hillsboro, Oregon, in 1975, to add to Diamond division.

Buying a centrally located veneer and whole log chip mill in Rogue River, Oregon, in 1976.

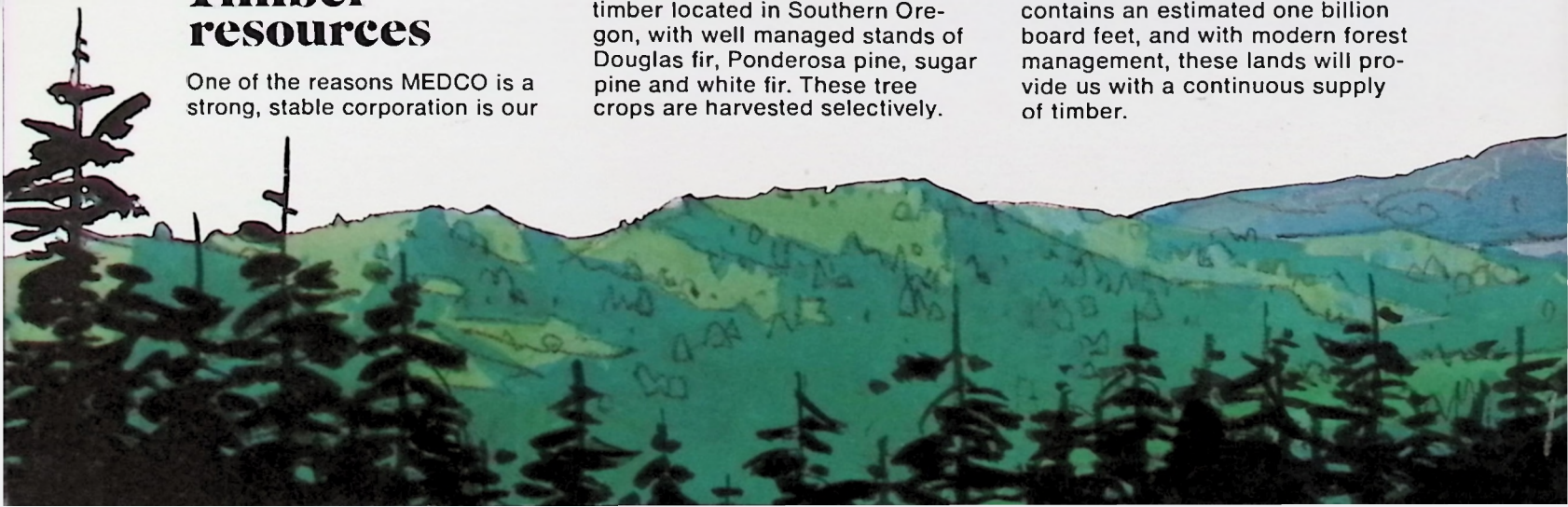


Timber resources

One of the reasons MEDCO is a strong, stable corporation is our

87,000 acre tree farm of prime timber located in Southern Oregon, with well managed stands of Douglas fir, Ponderosa pine, sugar pine and white fir. These tree crops are harvested selectively.

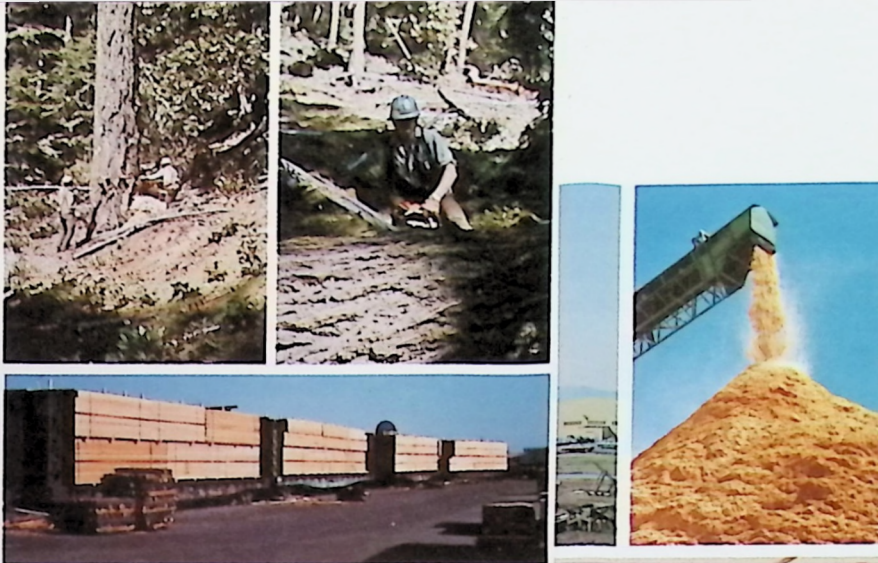
Currently, the MEDCO tree farm contains an estimated one billion board feet, and with modern forest management, these lands will provide us with a continuous supply of timber.



Lumber

Our lumber division is located in Medford near our stands of timber. Constantly improved since its construction in 1927, the operation now includes a modernized sawmill, dry kilns, a planing mill and shipping department. The mill produces pine and cedar, but also has the capacity to produce dimensional material from Douglas fir.

At Medford Corporation, we believe in utilizing as much of the tree as possible. We use trim materials from lumber and plywood mills to supply our MEDITE division, and waste products to generate all the steam we need for plywood dryers, dry kilns, our MEDITE medium density fiber-board plant, the steam powered machinery and heating for the entire facility.



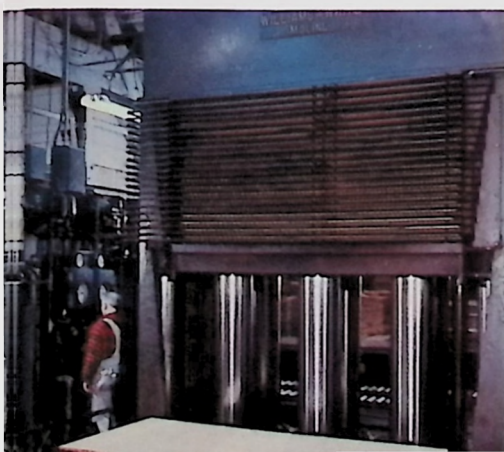
Plywood and Veneer

MEDCO operates two plywood plants. The first was constructed in 1960, on our main site in Medford. The other, in Grants Pass, was acquired from Southern Oregon Plywood in 1967. These two plants produce fir plywood in a wide range of sizes, thicknesses and grades. Together, they produce 270 million square feet of

plywood per year. We market through major distribution channels across the United States.

In conjunction with the two plywood mills, we operate a veneer and whole log chip mill in Rogue River, Oregon. This mill is located about half way between our Medford and Grants Pass plywood plants. The veneer is used in our

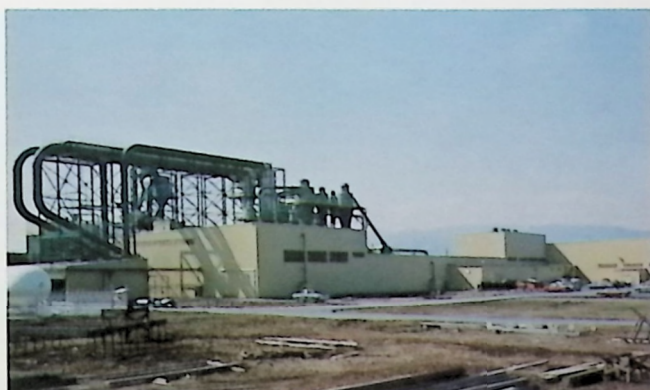
own plywood production and is also sold to other plywood plants. The chips produced in Rogue River make wood pulp for both the export and domestic markets. By inter-relating our operations and carefully planning their locations, we have cut transportation time and costs. In so doing, greater economies are achieved.



Medite division

MEDITE is our name for the excellent medium density fiberboard produced at our new plant in Medford. MEDITE is the NOW answer to expensive real wood used in the furniture and cabinet industries. MEDITE holds wood fasteners, machines beautifully, provides a perfect surface for finishing, printing and laminating.

We completed our \$13.5 million MEDITE plant in 1975. Within 90 days, the plant was producing a superior quality product and now is operating at full capacity. Each year we can produce 75 million square feet of MEDITE, which is widely used throughout the United States and Canada.



Diamond division

Diamond Industries is the largest producer of kitchen cabinets west of the Mississippi, and one of the largest in the nation. The division was founded in 1970 in a warehouse next to our plywood mill in Grants Pass. In 1975, we bought the Noblecraft Kitchen Cabinet plant in Hillsboro, Oregon, and more than doubled our production capability.

Together, these plants produce 70,000 kitchens per year. This means we're making 1,000,000 modular wooden pre-finished kitchen cabinets and bathroom vanities annually.

The Diamond line offers a broad

range of styles and prices. One of our most successful lines is a medium-priced kitchen cabinet, which we sell to stocking distributors throughout the United States, in Iran, Saudi Arabia, Norway, Japan, Guam and Canada, and in other countries. Diamond operates a number of satellite assembly facilities around the country.

The Diamond division of Medford Corporation utilizes many of the products of other divisions in producing and assembling cabinets. Thus, we are able to assure a constant supply of materials to this profitable division.



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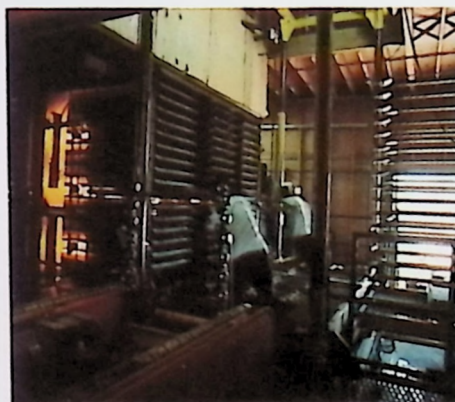
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D & M division also supplies our
Diamond division with hardwood
cut-stock components.



Sel Ply division

Sel Ply applies low-pressure laminates and hardwood veneers to various wood materials. Most of Sel Ply's products are used in making furniture and cabinets. A particularly successful product has been our "Polyboard," which is faced with polyester. Sel Ply also laminates private label lines of polyesters.



Sierra division

Since we work with wood, a natural addition to the Corporation is a pre-finished paneling division. Located in Grants Pass, Sierra Wood Products produces a line of rustic, pre-finished plywood panels called Western Heritage. These beautiful panels are used in quality homes throughout the West. Sierra also custom-finishes plywood panels for customers throughout the country.



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